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AND
FINANCE

372. The entire expenditure met from the advances sanctioned out of the Contingency Fund, was recouped in full before the close of the year and the Fund closed at the end of the year with a creditor balance of Rs. 30 lakhs.

373. There was a net incoming of Rs. 67.19 lakhs under "Savings Bank Deposits", Rs. 58.14 lakhs under "Other Accounts" and Rs. 86.45 lakhs under "Reserve Funds". As against these, there were a heavy net outgoing under "Suspense" amounting to Rs. 408.42 lakhs, mainly representing investments in Government of India Treasury Bills.

Contingency
Fund,
Public
Account.

(ii) Excise.

374. The Mysore Sugar Company, Ltd., Bangalore Distillery. continued to be the manufacturing contractors for the supply of liquors.

375. The rate of Molasses Arrack of 35° U. P. payable to Messrs. Mysore Sugar Company, Ltd., was the same as in the previous year *viz.*, Re. 0-12-9 per gallon. There was no change in the cost price of special liquors manufactured out of molasses.

376. The rates of bottling and packing charges also remained unaltered. The rates payable to Messrs. Mysore Sugar Company, Ltd., Bangalore, from 1st April 1955 to end of March 1956 for the liquors supplied by them to Government Depots were:—

(a) Molasses Arrack ... Re. 0-12-9 per gallon.

(b) Special Liquors—

1. Rs. 2-8-0 (Naked) per gallon.
2. Rs. 5 bottling charges in quart bottles per gallon.
3. Rs. 10 bottling charges in pint bottles per gallon.

Packing Charges.

4. Rs. 6 per case of eight gallons in quart bottles.
5. Rs. 6 per case of six gallons in pint bottles.

377. There were two Distilleries in the State during the year, *viz.*, the Mandya Distillery managed by Messrs. Mysore Sugar Company, Ltd., and (2) the Hospet Distillery managed by Messrs. India Sugars and Refineries, Ltd., Hospet. The Distillery at Mandya was administered in

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accordance with the provisions of the Mysore Excise Act, and the Distillery at Hospet according to the Madras Laws till the end of October 1955, the Mysore Laws being extended to the Bellary District with effect from 1st November 1955.

378. The production and issues at the Hospet Distillery were :—

Rectified Spirits.

(a) Quantity produced during the year	...	92,750'6 L.P. Gls.
(b) Quantity sold within the State	...	14,431'1 L.P. Gls.
(c) Quantity permitted to be exported	...	3'1 (Madras)

Denatured and Methylated Spirits.

(a) Quantity produced during the year	...	33,484'1 Bulk gallons
(b) Quantity sold within the State	...	15,601'0 „
(c) Quantity permitted to be exported	...	13,668'0 „

Details of export.

1. Travancore	...	1,315'0 Bulk gallons
2. Madras	...	1'8 „
3. Rangoon	...	5,000'0 „
4. Colombo	...	7,350'0 „
5. Kanpur	...	1'0 „
Total	...	13,668'0 „

379. There were 18 Arrack Bonded Depots during the year. Sanction was accorded to run the private arrack depots for the Bangalore City, Civil Area and Taluks for the year 1955-56.

380. There was no change during the year in the issue strength of molasses arrack and special liquors. The limit of private possession of the several kinds of liquors continued to be the same as in the previous years.

381. The number of shops licensed for the retail sale of molasses arrack was 100 (106) and bottled liquors was nine.

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382. The consumption of arrack of 350°U. P. was 2,21,249 (2,29,942 gallons) while that of special liquors supplied in bottles was 10,848 (10,739). The supply of country spirits to shops was not controlled by quotas.

Consumption

383. The incidence of consumption of country spirits per 100 of population was 4.54 (5.66) proof gallons, computed in respect of the population of only the wet areas of the State.

Incidence of
consumption.

384. Out of 111 rectified spirit licenses issued, 50 related to chemists and druggists, etc., and the rest 61 pertain to Government and charitable institutions.

Rectified
spirit
licenses.

385. Out of 4,94,482 gallons of rectified spirits including absolute alcohol manufactured, a quantity of 4,81,567 gallons was issued from the distillery at Mandya which includes 1,56,370 gallons exported outside the State. A quantity of 1,40,362 gallons was issued in the State and 1,74,835 gallons was taken out for conversion into liquors and spirits.

Rectified
spirit issued.

386. The normal rate of excise duty on spirit contents of medicinal preparations whether manufactured in the State or imported from outside places continued to be Rs. 5 per proof gallon. But in the case of spirituous medicinal preparations, the rate of excise duty was Rs. 17-8-0 per proof gallon. The rate of excise duty of Rs. 50 per proof gallon on spirit contents in flavouring and culinary essences was continued during the year.

Spirituos
medicinal and
toilet prepa-
rations.

387. The export of spirituous medicinal preparations by the several Pharmaceutical concerns in the State to places outside the State amounted to Rs. 69,169,395 proof gallons. Of these, 67,191,766 proof gallons were subject to excise duty and the balance of 1,977,629 proof gallons were on duty-free basis.

Exports.

388. Two hundred and fifty-one licenses were issued during the year for the possession and use, etc. of denatured spirits in Government institutions, private hospitals and for manufacture of polishes by the licensees.

Denatured
spirits.

389. Out of 1,23,864 gallons of denatured spirit issued out of the distillery at Mandya, 1,01,339 gallons were for local consumption and 22,525 gallons were exported out of the State.

Consumption.

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foreign
liquors.

390. There were three concerns who were permitted to manufacture Indian-made foreign liquors, *viz.*, Messrs. Amrit Distillers, Bangalore, (2) Messrs. Khoday, R.C.A. Industries, Bangalore, and (3) Messrs. Dasarath & Co., Mysore.

391. A quantity of 25,929·708 proof gallons of Indian-made foreign liquors was manufactured in the State. Of which, 2,759·37 proof gallons were issued for consumption in the State and 19,990·859 L.P. gallons were exported to places outside the State. A sum of Rs. 1,12,073 was collected towards excise duty on these liquors consumed in the State. The rate of excise duty of Rs. 35 per proof gallon was continued during the year.

392. The revenue from toddy amounted to Rs. 69,78,964 (Rs. 72,27,005) comprising of shop rentals Rs. 62,12,841 (Rs. 64,09,631), tree-tax Rs. 7,45,251 (Rs. 7,90,424), and tree rent Rs. 20,872 (Rs. 26,950).

393. The number of shops for the sale of date and coconut toddy was 552 (568), while that for the sale of bagani toddy was nil (6).

394. No trees were permitted to be tapped free of tax for domestic consumption during the year.

395. Consequent on the introduction of Prohibition throughout Madras State, no trees were licensed in Mysore State for Madras shops or in Madras State for Mysore shops.

396. The number of licenses issued exclusively for sales of country beer was 10 (10).

397. The consumption of beer amounted to 5,98,308 (2,05,088) gallons during the year. The United Breweries, Limited, and the Venus Brewery in Bangalore and the Chamundi Brewery in Mysore continued to manufacture beer.

398. The revenue derived from malt liquors amounted to Rs. 9,22,038 (Rs. 6,09,644) comprising of Rs. 5,14,795 (Rs. 2,86,200) under duty and Rs. 4,07,243 (Rs. 3,23,464) under shop rentals.

399. The consumption of foreign liquors were :—

	Kind	1954-55.	1955-56.
1	Spirits	... 7,522—18	14,382—20
2	Wines	... 881—15	1,631—32
3	Malt liquors	... 28,044—21	36,180—50

400. The revenue realised under license and gallonage fee was Rs. 4,50,054-11-0 (Rs. 3,99,022-6-0).

401. During the year, there was no cultivation of ganja. But ganja cultivated in 40 acres of lands in Gauribidanur taluk during 1954-55 amounting to 27,933 seers (*i.e.*, issuable ganja) was received in the Provincial Ganja Stores, Bangalore, in June 1955.

Ganja.

402. The limit of private possession of ganja continued to be 2 tolas as in the previous year.

403. The consumption of ganja during the year was 7,009 seers (6,406). The revenue derived amounted to Rs. 9,42,789 (Rs. 8,99,363) comprising of Rs. 4,55,918 (Rs. 4,40,408) under duty, Rs. 3,26,686 (Rs. 3,27,725) under shop rentals and Rs. 1,60,185 (Rs. 1,31,230) under sale of ganja.

404. The issue price of opium from the treasuries to the several licensees in the State continued to be Rs. 175 per seer of 80 tolas as in the previous year.

Opium.

405. The limit of private possession of opium continued to be one tola as in the previous year.

406. The consumption of opium was 372.70 (465) tolas.

407. The revenue derived from opium was Rs. 2,25,584-13-6 (Rs. 2,19,412-12-0), comprising of Rs. 1,60,287-15-6 (Rs. 1,37,359) under license fee and Rs. 65,296-14-0 (Rs. 82,053-12-0) under sale of opium.

408. No licenses were issued to chemists and druggists for the sale of opium preparations

409. The number of licenses issued under the Dangerous Drugs Rules was 72 (94) in the previous year. A quantity of 465 pounds and 14 ozs. of dangerous drugs was imported into the State from other Indian States during the year.

Dangerous
Drugs.

410. The total number of offences reported during the year under Excise and Opium Acts was 1,514 (1,131). Of these, 224 (197) cases relate to heinous offences, 117 (131) to the cutting and removal of date trees and leaves, 81 to dead date trees due to careless overtapping and the remaining 1,092 (803) cases to the breaches of license conditions.

Offences.

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Spirits.
Toddy.

411. The number of cases relating to illicit distillation and kindred offences increased from 170 to 189 during the year, the largest number being 134 (122) from Bangalore District.

412. The total number of offences relating to illicit manufacture of toddy was 18 (10).

413. The number of cases reported under hemp drugs was 203 (142). Of these cases, 10 related to illegal cultivation of ganja, 2 on account of unlicensed sale, 19 for possession without licenses and 172 for breaches of license conditions.

414. The number of offences reported under Opium Act was 57 (110). Of these, 4 cases related to possession of opium and the balance of 53 (108) cases to breaches of license conditions.

Old arrears.

415. Out of Rs. 14,89,447 outstanding at the beginning of the year after separately accounting for the amount of Railway and Education cesses, a sum of Rs. 7,17,493-9-1 was collected leaving a balance of Rs. 7,71,982-11-10 at the close of the year.

Incidence of
Taxation.

416. The incidence of taxation per head of population computed in respect of the wet districts of the State excluding the dry areas was Rs. 5-6-2 (Rs. 3-12-5).

(iii) Sales Tax.

417. The Commissioner of Excise continued to be the *Ex-officio* Commissioner of Sales Tax. There were two Deputy Commissioners' Divisions and twelve Sales Tax Officers' Circles inclusive of the Non-resident Dealers Circle.

418. The Mysore Sales Tax Amended Act came into force from 1st April 1955. The amendments introduced far-reaching changes regarding levy and collection of sales tax. Forty-three articles were brought under single-point levy and the list of exempted articles was enlarged.

419. The 29th day of September 1955 was appointed to be the date on which all sections of the said Act (except sections 2, 3, 4, 5, 8, 9 and 12 which had already come in to force) shall come into force in the State.